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July 30, 2010

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of South Carolina Electric & Gas Company ("SCE&G" of "the Company") for Approval to Revise Rates under the Base Load Review Act ("the Application")
Docket No. 2010-157-E

Dear Jocelyn,

Attached please find the South Carolina Office of Regulatory Staff's ("ORS's") Report on SCE&G's Annual Request for Revised Rates. ORS reviewed the Application and conducted an on-site examination of the Company's books and records regarding the Company's capital expenditures and found the expenditures to be prudently incurred. Based on the information reviewed, ORS concludes the project is being constructed in accordance with the construction schedules and cumulative cost forecasts approved in Commission Order Nos. 2009-104(A) and 2010-12, and that the revenue requested by SCE&G should be reduced by \$6.99 million to reflect actual CWIP through June 30, 2010.

Sincerely,

Shannon Bowyer Hudson

Enclosure

cc: K. Chad Burgess, Esquire